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August 15, 2006

Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Response to invitation to comment on "Enhancing the Financial Accounting and Reporting Standard-Setting Process for Private Companies"

It is refreshing to hear that, after many years of concern, we will be addressing the differences in the needs for reporting of public and private companies. Baum, Smith & Clemens, LLP is a CPA firm located near Philadelphia, Pennsylvania that has been servicing the needs of privately-held companies and not-for-profit organizations since 1973. We believe that the reporting in the financial statements of our clients must meet the needs of its users, but sometimes the reporting that is required is confusing to the third-party user as well as the reporting company.

Our response to the questions posed in the document can be found below.

Question # 1

The proposal would improve the accounting standard-setting process for private companies. We believe that input should be solicited from users, preparers and auditors involved in reporting for private companies; however, we would not want the process to become unduly cumbersome or costly.

Question # 2

We believe the proposed changes would ensure that the financial reporting needs of private company constituents are met.

Question # 3

We agree that GAAP differences for private companies should be based on financial statement user needs and cost-benefit considerations.

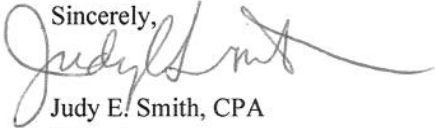
Question # 4

We believe having committee members serve on an uncompensated basis would be acceptable, except in the event that the lack of compensation prevents individuals from serving which in turn would create an unrepresentative committee.

Question # 5

We believe the committee should set its own agenda and priorities but should also be open to input concerning the accomplishment of those priorities and agenda items.

We look forward to any change that would benefit private companies.

Sincerely,

Judy E. Smith, CPA
Partner



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